

In the Matter of  
DTC Holding Co.  
and  
William R. Sandman Revocable Trust.  
Application for Authorization Pursuant to  
Section 214 of the Communications Act of 1934,  
as Amended, for Transfer of Control

## **APPLICATION FOR TRANSFER OF CONTROL**

## I Background

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In 2014, the two shareholders of Diller Telephone Company ("Diller") exchanged their shares in Diller for shares representing the same percentage ownership in DTC.<sup>2</sup> DTC's subsidiaries provide local and long distance telephone service, broadband Internet Access and cable television service in southeastern Nebraska and a small portion of Kansas. DTC's voting stock is currently held approximately 53% by the Trust and approximately 47% by the Steven P. Sandman Revocable Trust.

The Trust now wishes to execute a further reorganization through the sale of voting shares to Chandler Sandman, after which the Trust's voting interest will no longer constitute a controlling interest. Specifically, the Trust will hold only 49.999% of the voting shares. Additional 2016 transfers of non-voting stock are expected to reduce the Trust's percentage of total equity in DTC to below 50%.

## **II Information required by Section 63.04(a) of the Commission's rules**

### **(1) Applicants' Name, Address and Telephone Number**

DTC Holding Co.  
P.O. Box 236  
Diller, Nebraska 68342  
402 793 5330

William R. Sandman, Trustee  
William R. Sandman Revocable Trust

P.O. Box 236  
Diller, Nebraska 68342  
402 793 5330

### **(2) State of Organization**

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<sup>2</sup> Notification of this *pro forma* transaction was provided to the Commission pursuant to Sections 63.24(d) and 1.919(b).

- (a) DTC Holding Co. and its subsidiaries are Nebraska corporations
- (b) The William R. Sandman Revocable Trust was created in Nebraska.

**(3) Contact Information**

All correspondence, notices and inquiries regarding this transaction should be addressed to:

William R. Sandman, Trustee  
P.O. Box 236  
Diller, Nebraska 68342  
402 793 5330

**Copies of all correspondence, notices, and inquiries should also be addressed to:**

Troy S. Kirk  
Rembolt Ludtke LLP  
3 Landmark Centre  
1128 Lincoln Mall, Suite 300  
Lincoln, Nebraska 68508  
402 475 5100

David Cosson  
5151 Wisconsin Ave., N.W.  
Suite 313  
Washington, DC 20016  
202 333 5275

**(4) 10% Equity Shareholders:**

**Current ownership in DTC Holding Co.<sup>3</sup>:**

	<u>Total Equity</u>	<u>Voting Equity</u>
William R. Sandman Revocable Trust	53%	53%
Steven P. Sandman Revocable Trust	47%	47%

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<sup>3</sup> Percentages rounded to the nearest whole number.

**Proposed ownership in DTC Holding Co.:**

	<u>Total Equity</u>	<u>Voting Equity</u>
William R. Sandman Revocable Trust	49.9999%	49.999%
Steven P. Sandman Revocable Trust	46.9941%	46.994%
Chandler Sandman	1.002 % <sup>4</sup>	3.007%
Recipients of Gifts of Non-Voting Stock <sup>5</sup>	2.004%	0.000%

William R. Sandman, trustee of the William R. Sandman Revocable Trust, is a U.S. citizen whose principal business is telecommunications.

Steven P. Sandman, trustee of the Steven P. Sandman Revocable Trust, is a U.S. citizen whose principal business is Optometry.

Chandler Sandman is a U.S. citizen whose principal business is telecommunications.

**(5) Certification Pursuant to Rules 1.2001-1.2003**

Applicants certify, pursuant to 47 C.F.R. §§ 1.2001-1.2003, that to the best of their knowledge, information, and belief, no party to the Application is subject to denial of federal benefits pursuant to section 5301 of the Anti-Drug Abuse Act of 1988, 21 U.S.C. § 862.

Certification is attached as Exhibit A.

**(6) Description of the Transaction**

The Trust will sell voting shares to Chandler Sandman, after which the Trust will hold 49.999% of the voting shares. In addition, during 2016, transfers of non-voting stock by gift<sup>6</sup>

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<sup>4</sup> Chandler Sandman is a proposed recipient of a gift of non-voting stock equal to .7013% of total equity.

<sup>5</sup> Julie Sandman will be custodian for two minors under the Uniform Transfers to Minors Act receiving proposed non-voting stock gifts each in an amount equal to 1.002% of total equity.

<sup>6</sup> It is anticipated that the Trust will make similar, non-substantial gifts in the future.

will reduce the Trust's percentage of total equity in DTC to below 50%.<sup>7</sup> Following these transfers, no entity or individual will own more than 50% of either voting stock or total equity, although the Trust will continue to own the largest percentages. In addition, William R. Sandman, the, sole trustee of the Trust, will retain his position as President of DTC and its subsidiaries.

**(7) Geographic Description**

DTC's subsidiaries are located in southeastern Nebraska where they provide local exchange and long distance service to four exchanges, one of which has a few subscribers in Kansas. Broadband Internet Access and cable television services are provided to a somewhat larger area.

**(8) Streamlined Treatment**

Applicants request streamlined treatment of this Application in accordance with Section 63.03(b)(2)(iii). Diller serves fewer than two (2) percent of the nation's subscriber lines, and there is no issue of overlapping or adjacent service areas.

**(9) Other Related Applications Before the Commission**

Applicants are also seeking approval of the transfer of control with respect to Diode Telecom, Inc.'s International Section 214 authorization and Diller's three wireless licenses (WQLZ773, WQRQ568, WQRQ567).

**(10) Statement of Imminent Business Failure**

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<sup>7</sup> The exact amount of the divestitures resulting in the Trust's equity ownership interest of less than 50% is dependent upon valuation at the time of the gifts. The Commission will be advised of the exact amount within thirty (30) days after the gifts have occurred.

Not applicable.

**(11) Separately Filed Waiver Requests**

None

**(12) Public Interest Statement**

Grant of the instant Application will serve the public interest because it will serve to strength the present and future financial strength of the enterprises thereby ensuring continued provision of high quality telecommunications and information services in this low density rural area. At all relevant times, before and after the transfer, management of DTC and its subsidiaries has been supervised by President William R. Sandman. The change in ownership of the company's stock will have no adverse impact on services provided to subscribers and the quality and scope of its telecommunications and information services will continue to expand.

**Conclusion**

For the foregoing reasons, Applicants respectfully request that the Commission promptly grant this Application.

Respectfully Submitted,

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Washington, D.C. 20016  
202 333 5275

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3 Landmark Centre  
1128 Lincoln Mall, Suite 300  
Lincoln, Nebraska 68508  
402 475 5100

Counsel for Applicants

January 14, 2016  
Attachment

**Exhibit A**

**CERTIFICATION**

I, William R. Sandman, certify, pursuant to 47 C.F.R. §§ 1.2001-1.2003, that to the best of my knowledge, information, and belief, no party to this Application is subject to denial of federal benefits pursuant to section 5301 of the Anti-Drug Abuse Act of 1988, 21 U.S.C. § 862.

William R Sandman

William R. Sandman